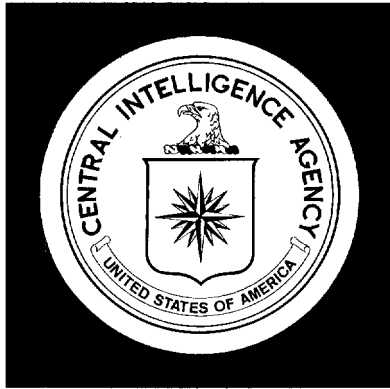


Top Secret



Central Intelligence Bulletin

State Department review completed

Top Secret

C 308

February 11, 1974

25X1

Approved For Release 2004/07/08 : CIA-RDP79T00975A026100130001-7

Approved For Release 2004/07/08 : CIA-RDP79T00975A026100130001-7

February 11, 1974

Central Intelligence Bulletin

CONTENTS

EC - ARAB STATES: The Nine are planning wide-ranging cooperation with the Arabs. (Page 1)

FRANCE-IRAN: Both countries have announced a large long-term trade and technical cooperation agreement. (Page 2)

EC-MBFR: Bonn continues to push for EC consideration of MBFR. (Page 3)

MEXICO: Federal agents raid stronghold of heroin traffic. (Page 5)

RHODESIA: The government may reduce call-ups of white reservists. (Page 7)

FOR THE RECORD: (Page 8)

EC - ARAB STATES: The Nine are planning wide-ranging cooperation with the Arab states.

The political directors of the EC agreed at a meeting on February 6-7 that the Nine should offer cooperation with the Arabs in such fields as transportation, industry, agriculture, technical training, and science. The EC foreign ministers must still approve the proposals, and are likely to do so at their next meeting on February 14. If the Arabs respond favorably, mixed EC-Arab working groups will be set up. Their work would lead to an Arab-European conference, probably this fall.

The president of the EC Council, currently a West German, is to carry on the negotiations with the Arabs in his dual role as president of the nine foreign ministers and as EC president. France succeeds West Germany in the presidency during the second half of 1974 and undoubtedly expects to get a good deal of political mileage out of this new role as EC negotiator with the Arab states.

The proposal is a response to the Arab request at the Copenhagen summit of EC leaders in December 1973 for a "cooperative dialogue."

Feb 11, 1974

Central Intelligence Bulletin

1

FRANCE-IRAN: France and Iran have announced a large long-term trade and technical cooperation deal emphasizing energy projects. Neither oil prices nor oil trade were mentioned by sources describing the agreement, which was negotiated by the Shah and the new French energy czar, Jean Blancard, on Saturday.

France can point to the agreement as a success in its announced policy of government-to-government trade deals with the oil-producing countries. The arrangement, which involves about \$3 billion of project contracts already under negotiation and a reported \$2 billion of new proposals, offers France the prospect of large sales of industrial equipment and the opportunity to increase foreign-exchange earnings. These earnings will help to defray the high cost of France's imported oil, but, even if most of the proposed facilities are built, French earnings will not be significant for a year or two. The announcement indicates that France will receive some payment in the form of natural gas and oil exploration rights.

As part of the package, France indicated an interest in building a natural gas pipeline to Europe. This long-standing notion, reflecting the ambitions of French industry, was billed as an opportunity for European cooperation.

EC-MBFR: Bonn appears increasingly determined to prod the European Communities into considering MBFR issues, and, for the first time, there are indications that Paris may be prepared to go along.

In conversations with US officials earlier this week, West German Disarmament Commissioner Roth reiterated that it is the German wish that the EC as well as NATO should study the "possible dangers lurking in the MBFR negotiations for EC integration." Although noting that the question of cuts in European forces would not come to a head in the present phase of the MBFR talks, he said the time is already ripe for such European and Allied discussions.

At a meeting of the EC's political committee a month ago, the West Germans informally suggested that the committee should authorize an expert working group to consider not only MBFR, but also a broad range of arms control and possibly other strategic issues. The French--who oppose MBFR and who are generally disinclined to have the EC get into defense matters--were noncommittal in their response to this suggestion. Since that time, however, a French official has said that, while Paris will not "officially participate" in any discussion of MBFR in the political committee as such, it will not oppose such discussions and "retains the option to speak out" against the dangers it sees in the MBFR exercise.

West German officials are aware that Paris--and London--may try to use the EC forum to slow the tempo of MBFR negotiations. Nevertheless, during the past two months, both Bonn and Rome have pressed for greater EC involvement in the formulation of MBFR policy, primarily with the goal of drawing the French into the discussions. Although an informal caucus of EC countries emerged at the end of the last round of negotiations in Vienna, Bonn does not want to institutionalize this group because it would pose a threat to Allied unity and omit some community members--such as France.

(continued)

Feb 11, 1974

Central Intelligence Bulletin

3

The heightened concern in Bonn about the impact of MBFR on the defense of Western Europe does not necessarily mean that Bonn is moving toward the generally negative British and French view of MBFR. On the contrary, Bonn is seeking greater coordination so that the reductions in West European forces envisioned for the second stage of MBFR will not interfere with closer European cooperation on defense. Roth stated that the Allies should negotiate a common ceiling on forces and should insist that the distribution of Western reductions be determined by the Alliance with recommendations from the community. Roth stressed that the Soviet proposal for a specific ceiling on the Bundeswehr must be rejected.

The policy outlined by Roth now appears to have the general support of the Defense Ministry officials who have been eager to reduce the Bundeswehr for political and financial reasons. These officials still seek US assurances that a second stage will occur and that the concept of a common ceiling will be maintained. They are also generally opposed, however, to "singling out" the Bundeswehr in a second stage and are presently drafting models to achieve a mixture of Allied reductions compatible with West Germany's minimum defense requirements.

25X1

Feb 11, 1974

Central Intelligence Bulletin

4

MEXICO: Mexican federal agents have begun an anti-narcotics campaign in the stronghold of heroin traffic in Mexico.

On February 4, the agents raided a wealthy section of Culiacan, Sinaloa, where most of the area's drug traffickers are reputed to live. They seized nine kilograms of heroin and opium and a heroin laboratory, and arrested 17 people. Major traffickers may have escaped arrest, however,

The raid should serve notice that the federal government means to crack down hard on drug trafficking and production in the area.

In a series of raids the previous week, also in the Culiacan area, agents seized 17 kilograms of heroin and opium, 1 million amphetamine tablets, and over 3 tons of marijuana.

Feb 11, 1974

Central Intelligence Bulletin

5

25X1

Approved For Release 2004/07/08 : CIA-RDP79T00975A026100130001-7

Approved For Release 2004/07/08 : CIA-RDP79T00975A026100130001-7

RHODESIA: The government may shortly announce measures for reducing call-ups of white reservists without diminishing the army's present level of counterinsurgency operations.

Although white Rhodesians comprise only 5 percent of the total population, the army has relied primarily on white conscripts and reservists to maintain an active strength of roughly 4,500 since the insurgency began in late 1972. The commando units engaged in counterinsurgency operations along Rhodesia's north-east border with Mozambique are made up mostly of youthful conscripts. Older reservists have assumed much of the regular guard duty in rear areas. Black volunteers comprise only one infantry battalion, and they too are used mostly for guard duty.

According to a South African press report, the army now intends to form a second black infantry battalion, to increase incentives for re-enlistment by white conscripts, and to double the present rate of some 1,000 conscripts a year. The latter is to be achieved by inducting white youths as soon as they complete secondary school, and also by conscripting white immigrants, who have been exempt for five years after settling in Rhodesia.

These measures appear to be aimed primarily at reducing the army's reliance on white reservists. The number of insurgents in Rhodesia, about 200, appears no greater than when the insurgency began, and terrorist raids on white civilians are presently well below the level that occurred in the early weeks of the insurgency.

The maintenance of a partially mobilized reserve force for well over a year has caused growing dissatisfaction in Rhodesia's small white community. Hundreds of reservists, including farmers and business executives, have been called up for several one-month stints at great personal inconvenience. While Prime Minister Smith will earn some political credit for reducing such call-ups, the conscription of immigrants for the army runs the risk of undercutting his current efforts to attract more white immigrants.

Feb 11, 1974

Central Intelligence Bulletin

7

FOR THE RECORD

Iraq-Iran: Iraq claimed yesterday that a frontier clash with Iranian forces, backed by armor and artillery, caused relatively heavy casualties on both sides. Quoting an army communiqué, Baghdad Radio said Iraqi forces suffered 23 casualties while Iranian losses were put at more than 70. Border clashes have occurred sporadically for several years and are not believed likely to lead to full-scale hostilities. [REDACTED]

25X1

Feb 11, 1974

Central Intelligence Bulletin

8

25X1

Approved For Release 2004/07/08 : CIA-RDP79T00975A026100130001-7

Top Secret



Top Secret

Approved For Release 2004/07/08 : CIA-RDP79T00975A026100130001-7